

**OIL AND GAS DOCKET NO. 01-0275213**

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**THE APPLICATION OF NEWFIELD EXPLORATION COMPANY TO ADOPT FIELD RULES FOR THE TWO M (GEORGETOWN) FIELD, MAVERICK COUNTY, TEXAS**

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**HEARD BY:** Richard D. Atkins, P.E. - Technical Examiner  
Michael Crnich - Legal Examiner

**HEARING DATE:** April 12, 2012

**APPEARANCES:** **REPRESENTING:**

**APPLICANT:**

Dale E. Miller

Newfield Exploration Company

**EXAMINERS' REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Newfield Exploration Company ("Newfield") requests that Field Rules for the Two M (Georgetown) Field be adopted. Newfield requests the following Field Rules:

1. Designation of the field as the correlative interval from 2,200 feet to 2,865 feet as shown on the log of The Exploration Resources Company - Burr C Lease, Well No. 1-93 (API No. 42-323-32959);
2. 330'-0';
3. 40 acre units;
4. Allocation based on 100% acres with a top oil allowable based on the 1965 Yardstick Allowable of 78 barrels of oil per day;

The application was unopposed and the examiners recommend that Field Rules for the Two M (Georgetown) Field be adopted, as proposed by Newfield.

**DISCUSSION OF THE EVIDENCE**

The Two M (Georgetown) Field was discovered in November 1989 at an average

depth of 2,500 feet. The field operates under Statewide Rules. There are eleven producing oil wells, two producing gas wells and four operators carried on the proration schedules. The allocation formula is suspended and the top oil allowable is the 1965 Yardstick Allowable of 78 barrels of oil per day. Cumulative production from the field through January 2012 is 693.5 MBO and 840.1 MMCFG.

There is currently no defined correlative interval for the field. Newfield requests that the field be defined as the correlative interval from 2,200 feet to 2,865 feet as shown on the log of The Exploration Resources Company - Burr C Lease, Well No. 1-93 (API No. 42-323-32959), Section 93, Block 4, I&GN RR Co. Survey, A-901, Maverick County, Texas. This interval includes the entire Georgetown formation.

Newfield is proposing to drill vertical and horizontal infill wells and requests Field Rules to promote the efficient and effective development of the remaining hydrocarbons. Newfield requests 330'-0' well spacing and 40 acre density. For consistency, Newfield is requesting the same spacing rules that have been adopted in the deeper Briscoe Ranch (Eagleford) Field.

Newfield also requests that allocation be based on 100% acres with a top oil allowable based on the 1965 Yardstick Allowable of 78 barrels of oil per day. Additionally, Newfield proposes that the allocation formula remain suspended, as there is a 100% market demand for all of the gas produced from the field.

### **FINDINGS OF FACT**

1. Notice of this application and hearing was provided to all persons entitled to notice at least ten (10) days prior to the date of the hearing.
2. The Two M (Georgetown) Field was discovered in November 1989 at an average depth of 2,500 feet.
  - a. The field operates under Statewide Rules.
  - b. There are eleven producing oil wells, two producing gas wells and four operators carried on the proration schedules.
  - c. The allocation formula is suspended and the top oil allowable is the 1965 Yardstick Allowable of 78 barrels of oil per day.
3. The Two M (Georgetown) Field should be defined as the correlative interval from 2,200 feet to 2,865 feet as shown on the log of The Exploration Resources Company - Burr C Lease, Well No. 1-93 (API No. 42-323-32959). This interval includes the entire Georgetown formation.

4. The Two M (Georgetown) Field is actively being developed with vertical and horizontal drainhole wells.
5. Field Rules providing for 330'-0' well spacing and 40 acre density will provide consistency in developing the field and will allow greater flexibility in selecting future drilling locations.
6. Similar spacing rules have been adopted in the deeper Briscoe Ranch (Eagleford) Field.
7. Allocation based on 100% acres and a top oil allowable based on the 1965 Yardstick Allowable of 78 barrels of oil per day is a reasonable formula which will protect correlative rights and meet statutory requirements.
8. Continued suspension of the allocation formula is appropriate, as there is a 100% market demand for all the gas produced from the field.

**CONCLUSIONS OF LAW**

1. Proper notice of this hearing was issued.
2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.
3. Adopting Field Rules for the Two M (Georgetown) Field is necessary to prevent waste, protect correlative rights and promote development of the field.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission adopt Field Rules for the Two M (Georgetown) Field, as requested by Newfield Exploration Company.

Respectfully submitted,

Richard D. Atkins, P.E.  
Technical Examiner

Michael Crnich  
Legal Examiner